

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Township of Almena</b>	County <b>Van Buren</b>
Audit Date <b>3/31/04</b>	Opinion Date <b>6/24/04</b>	Date Accountant Report Submitted to State: <b>9/28/04</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Siegfried Crandall PC</b>			
Street Address <b>246 East Kilgore Road</b>		City <b>Kalamazoo</b>	State <b>MI</b>
		ZIP <b>49002-5599</b>	
Accountant Signature 		Date <b>9/24/04</b>	

*Township of Almena*  
*Van Buren County, Michigan*  
**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2004*

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**INDEPENDENT AUDITORS' REPORT**

**Board of Trustees  
Township of Almena, Michigan**

We have audited the accompanying general purpose financial statements of the Township of Almena, Michigan, as of March 31, 2004, and for the year then ended, as listed in the contents. These general purpose financial statements are the responsibility of the Township of Almena's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Almena, Michigan, as of March 31, 2004, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements, as listed in the contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township of Almena, Michigan. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Siegfried Crandall P.C.*

June 24, 2004

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

**Township of Almena****COMBINED BALANCE SHEET - all fund types and account group**

March 31, 2004

	<i>Governmental fund types</i>		
	<i>General</i>	<i>Special revenue</i>	<i>Capital project</i>
<b>ASSETS</b>			
Cash	\$ 443,336	\$ 305,988	\$ 60,463
Receivables:			
Taxes	10,565	18,296	-
Special assessments	-	275	-
Accounts	-	-	-
Due from other funds	926	244	-
Due from other governmental units	39,446	-	-
Fixed assets	-	-	-
Amount to be provided for long-term debt	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u>\$ 494,273</u>	<u>\$ 324,803</u>	<u>\$ 60,463</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 4,073	\$ 22,178	\$ 13,993
Due to other funds	-	-	-
Due to other governmental units	2,576	-	-
Due to others	-	-	-
Long-term debt	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>6,649</u>	<u>22,178</u>	<u>13,993</u>
<b>FUND EQUITY:</b>			
Investment in general fixed assets	-	-	-
Retained earnings	-	-	-
Fund balance - unreserved:			
Designated for capital expenditures	-	-	46,470
Undesignated	487,624	302,625	-
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund equity	<u>487,624</u>	<u>302,625</u>	<u>46,470</u>
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 494,273</u>	<u>\$ 324,803</u>	<u>\$ 60,463</u>

<i>Proprietary fund type</i>	<i>Fiduciary fund type</i>	<i>Account group</i>		<i>Totals (memorandum only)</i>
<i>Enterprise</i>	<i>Agency</i>	<i>General fixed assets</i>	<i>General long-term debt</i>	
\$ 38,740	\$ 8,138	\$ -	\$ -	\$ 856,665
-	-	-	-	28,861
-	-	-	-	275
2,573	-	-	-	2,573
-	-	-	-	1,170
-	-	-	-	39,446
-	-	966,587	-	966,587
-	-	-	387,752	387,752
<u>\$ 41,313</u>	<u>\$ 8,138</u>	<u>\$ 966,587</u>	<u>\$ 387,752</u>	<u>\$ 2,283,329</u>
\$ 2,164	\$ -	\$ -	\$ -	\$ 42,408
-	1,170	-	-	1,170
-	6,368	-	-	8,944
-	600	-	-	600
-	-	-	387,752	387,752
<u>2,164</u>	<u>8,138</u>	<u>-</u>	<u>387,752</u>	<u>440,874</u>
-	-	966,587	-	966,587
39,149	-	-	-	39,149
-	-	-	-	46,470
-	-	-	-	790,249
<u>39,149</u>	<u>-</u>	<u>966,587</u>	<u>-</u>	<u>1,842,455</u>
<u>\$ 41,313</u>	<u>\$ 8,138</u>	<u>\$ 966,587</u>	<u>\$ 387,752</u>	<u>\$ 2,283,329</u>

See notes to financial statements

**Township of Almena****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - all governmental fund types***Year ended March 31, 2004*

	<i>General</i>	<i>Special revenue</i>	<i>Capital project</i>	<i>Totals (memorandum only)</i>
REVENUES:				
Taxes	\$ 139,628	\$ 228,510	\$ -	\$ 368,138
State grants	301,391	849	-	302,240
Charges for services	38,218	350	-	38,568
Interest and rentals	7,061	140	-	7,201
Other	5,827	15,658	-	21,485
Total revenues	<u>492,125</u>	<u>245,507</u>	<u>-</u>	<u>737,632</u>
EXPENDITURES:				
Legislative	6,784	-	-	6,784
General government	186,043	-	-	186,043
Public safety	8,000	88,023	-	96,023
Public works	2,774	337,719	-	340,493
Community and economic development	45,875	-	-	45,875
Recreation and cultural	-	98	-	98
Capital outlay	20,144	-	753,530	773,674
Debt service:				
Principal	12,248	-	-	12,248
Interest	7,250	-	-	7,250
Total expenditures	<u>289,118</u>	<u>425,840</u>	<u>753,530</u>	<u>1,468,488</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>203,007</u>	<u>(180,333)</u>	<u>(753,530)</u>	<u>(730,856)</u>
OTHER FINANCING SOURCES (USES):				
Loan proceeds	-	-	400,000	400,000
Operating transfer in	-	166,515	400,000	566,515
Operating transfer out	(566,515)	-	-	(566,515)
Total other financing sources (uses)	<u>(566,515)</u>	<u>166,515</u>	<u>800,000</u>	<u>400,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(363,508)</u>	<u>(13,818)</u>	<u>46,470</u>	<u>(330,856)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>851,132</u>	<u>316,443</u>	<u>-</u>	<u>1,167,575</u>
FUND BALANCE - END OF YEAR	<u>\$ 487,624</u>	<u>\$ 302,625</u>	<u>\$ 46,470</u>	<u>\$ 836,719</u>

*See notes to financial statements*



**Township of Almena****COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL - *general and special revenue funds****Year ended March 31, 2004*

	<i>General</i>		
	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
REVENUES:			
Taxes	\$ 134,300	\$ 139,628	\$ 5,328
State grants	298,380	301,391	3,011
Charges for services	29,900	38,218	8,318
Interest and rentals	7,350	7,061	(289)
Other	2,000	5,827	3,827
Total revenues	<u>471,930</u>	<u>492,125</u>	<u>20,195</u>
EXPENDITURES:			
Legislative	5,897	6,784	(887)
General government	238,504	186,043	52,461
Public safety	8,000	8,000	-
Public works	4,600	2,774	1,826
Community and economic development	66,050	45,875	20,175
Recreation and cultural	12,000	-	12,000
Capital outlay	9,000	20,144	(11,144)
Debt service:			
Principal	-	12,248	(12,248)
Interest	-	7,250	(7,250)
Total expenditures	<u>344,051</u>	<u>289,118</u>	<u>54,933</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>127,879</u>	<u>203,007</u>	<u>75,128</u>
OTHER FINANCING SOURCES (USES):			
Operating transfer in	-	-	-
Operating transfer out	(579,515)	(566,515)	13,000
Total other financing sources (uses)	<u>(579,515)</u>	<u>(566,515)</u>	<u>13,000</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(451,636)	(363,508)	88,128
FUND BALANCE - BEGINNING OF YEAR	<u>851,132</u>	<u>851,132</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 399,496</u>	<u>\$ 487,624</u>	<u>\$ 88,128</u>

<i>Special revenue</i>			<i>Totals (memorandum only)</i>		
<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
\$ 220,800	\$ 228,510	\$ 7,710	\$ 355,100	\$ 368,138	\$ 13,038
-	849	849	298,380	302,240	3,860
350	350	-	30,250	38,568	8,318
700	140	(560)	8,050	7,201	(849)
<u>7,800</u>	<u>15,658</u>	<u>7,858</u>	<u>9,800</u>	<u>21,485</u>	<u>11,685</u>
<u>229,650</u>	<u>245,507</u>	<u>15,857</u>	<u>701,580</u>	<u>737,632</u>	<u>36,052</u>
-	-	-	5,897	6,784	(887)
-	-	-	238,504	186,043	52,461
95,759	88,023	7,736	103,759	96,023	7,736
329,743	337,719	(7,976)	334,343	340,493	(6,150)
-	-	-	66,050	45,875	20,175
2,500	98	2,402	14,500	98	14,402
-	-	-	9,000	20,144	(11,144)
-	-	-	-	12,248	(12,248)
-	-	-	-	7,250	(7,250)
<u>428,002</u>	<u>425,840</u>	<u>2,162</u>	<u>772,053</u>	<u>714,958</u>	<u>57,095</u>
<u>(198,352)</u>	<u>(180,333)</u>	<u>18,019</u>	<u>(70,473)</u>	<u>22,674</u>	<u>93,147</u>
179,515	166,515	(13,000)	179,515	166,515	(13,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(579,515)</u>	<u>(566,515)</u>	<u>13,000</u>
<u>179,515</u>	<u>166,515</u>	<u>(13,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
(18,837)	(13,818)	5,019	(470,473)	(377,326)	93,147
<u>316,443</u>	<u>316,443</u>	<u>-</u>	<u>1,167,575</u>	<u>1,167,575</u>	<u>-</u>
<u>\$ 297,606</u>	<u>\$ 302,625</u>	<u>\$ 5,019</u>	<u>\$ 697,102</u>	<u>\$ 790,249</u>	<u>\$ 93,147</u>

See notes to financial statements

***Township of Almena***

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS - *proprietary fund type***

*Year ended March 31, 2004*

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	<u><i>Building Inspection Fund</i></u>
PERMITS AND FEES	\$ 44,305
SUBCONTRACTED EXPENSES	<u>35,582</u>
OPERATING INCOME	8,723
RETAINED EARNINGS - BEGINNING OF YEAR	<u>30,426</u>
RETAINED EARNINGS - END OF YEAR	<u><u>\$ 39,149</u></u>

*See notes to financial statements*

**Township of Almena****COMBINED STATEMENT OF CASH FLOWS - *proprietary fund type****Year ended March 31, 2004*

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	<i>Building Inspection Fund</i>
Cash flows from operating activities:	
Receipts from customers and users	\$ 41,732
Payments to suppliers	<u>(38,269)</u>
Net increase in cash	3,463
Cash - beginning of year	<u>35,277</u>
Cash - end of year	<u><u>\$ 38,740</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 8,723
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(2,573)
Decrease in accounts payable	<u>(2,687)</u>
Net cash provided by operating activities	<u><u>\$ 3,463</u></u>

*See notes to financial statements*

**Township of Almena**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Township of Almena, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant accounting policies:

*a) Reporting entity:*

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Township, or primary government. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Township has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a blended or discretely-presented component unit in the Township's financial statements.

*b) Basis of presentation:*

The accounts of the Township are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for in, individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The financial activities of the Township are recorded in the separate funds and account group, categorized, and described as follows:

*i) Governmental funds:*

General Fund - this fund is used to account for all financial resources not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state distributions, interest, and charges for certain services.

Special revenue funds - these funds are used to account for specific revenues derived (other than major capital projects) primarily from property taxes, General Fund appropriations, and donations, which are to be expended for specific purposes as dictated by legal, regulatory, or administrative requirements.

Capital Project fund - this fund is used to account for the acquisition or construction of major capital facilities by the Township.

**Township of Almena**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*b) Basis of presentation (continued):*

*ii) Proprietary fund:*

Enterprise fund - this fund is comprised of the Building Inspection Fund and is used to account for operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

*iii) Fiduciary funds:*

Agency funds - these funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*iv) Account group:*

General fixed assets account group - this account group presents the fixed assets of the local unit utilized in its general operations (nonproprietary fixed assets).

The account group is not a fund. It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

*c) Basis of accounting:*

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due.

The proprietary fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The Township has elected to follow (1) all GASB pronouncements and (2) Financial Accounting Standards Board statements and interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

**Township of Almena**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

*d) Budgets and budgetary accounting:*

The Township follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 621, Public Acts of 1978) as prescribed by the State of Michigan.

Budgets for the general and special revenue funds are adopted at the activity level and are on a basis consistent with generally accepted accounting principles.

*e) Receivables:*

All receivables are expected to be fully collectible as presented.

*f) Fixed assets:*

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

*g) Property tax:*

Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on February 14 (with the final collection date of February 28), at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. The Township considers property taxes levied December 1 as revenues of the current year.

*h) Totals (memorandum only):*

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation as interfund eliminations have not been made.

**Township of Almena**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 2 - DEPOSITS:**

A reconciliation of cash to the Township's deposits, as shown in the combined balance sheet, is as follows:

*Financial statements:*

Cash	<u>\$856,665</u>
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*Notes to the financial statements:*

Deposits	\$856,466
Cash on hand	<u>199</u>
	<u>\$856,665</u>

*Deposits:*

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township Treasurer. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2004, the Township has deposits with a carrying amount of \$856,466 and a bank balance of \$863,395. Of the bank balance, \$25,768 is covered by federal depository insurance and \$837,627 is uninsured.

**NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES:**

The amounts of interfund receivables and payables at March 31, 2004, are as follows:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Fund</u>	<u>Interfund payables</u>
General	\$ 568	Trust and Agency	\$ 764
Fire	98		
Roads	<u>98</u>		
	<u>764</u>		
General	358	Tax Collections	<u>406</u>
Fire	24		
Roads	<u>24</u>		
	<u>406</u>		
	<u>\$1,170</u>		<u>\$1,170</u>



**Township of Almena**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 4 - FIXED ASSETS:**

The following is a schedule of changes in general fixed assets of the Township during the year ended March 31, 2004:

	<u>Balance</u> <u>April 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>March 31, 2004</u>
Land and improvements	\$ 62,588	\$ -	\$ -	\$ 62,588
Buildings	70,549	695,661	-	766,210
Equipment	<u>77,321</u>	<u>60,468</u>	<u>-</u>	<u>137,789</u>
	<u>\$210,458</u>	<u>\$756,129</u>	<u>\$ -</u>	<u>\$966,587</u>

**NOTE 5 - LONG-TERM DEBT:**

The summary of long-term debt transactions of the Township for the year ended March 31, 2004, is as follows:

	<u>General long-term</u> <u>debt account group</u>
Balance at April 1, 2003	\$ -
Issuances	400,000
Retirements	<u>(12,248)</u>
Balance at March 31, 2004	<u>\$387,752</u>

Long-term debt at March 31, 2004, consists of the following:

General long-term debt account group:	
\$400,000 Installment Purchase Agreement, payable in monthly installments of \$2,785, including interest at 3.12%; final payment due July 2018	<u>\$387,752</u>

The annual debt service requirements, including interest of \$91,564, to amortize all debt outstanding as of March 31, 2004, are as follows:

2005	\$ 33,426
2006	33,426
2007	33,426
2008	33,426
2008	33,426
Thereafter	<u>312,186</u>
	<u>\$479,316</u>

**Township of Almena**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 6 - CLAIMS ARISING FROM RISKS OF LOSS:**

The Township is exposed to various risks of loss to general liability, property and casualty, and workers' compensation.

The risks of loss arising from general liability up to \$2,000,000, building contents, workers' compensation, and casualty are managed through purchased commercial insurance.

**NOTE 7 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS:**

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

The following schedule sets forth significant budget variations:

<u>Fund</u>	<u>Function</u>	<u>Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	General government	Assessor	\$22,400	\$25,624	\$3,224
		Township hall and grounds	22,873	23,970	1,097
	Capital outlay	Capital outlay	9,000	20,144	11,144
	Debt service	Principal	-	12,248	12,248
		Interest	-	7,250	7,250
Weed Control	Public works	Weed control	-	9,213	9,213

## **SUPPLEMENTARY INFORMATION**

**Township of Almena****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND****BALANCE - BUDGET AND ACTUAL - *General Fund****Year ended March 31, 2004*

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	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property taxes	\$ 90,050	\$ 94,488	\$ 4,438
Administration fees	44,050	44,937	887
Trailer park fees	<u>200</u>	<u>203</u>	<u>3</u>
Total taxes	<u>134,300</u>	<u>139,628</u>	<u>5,328</u>
State grants - state shared revenue	<u>298,380</u>	<u>301,391</u>	<u>3,011</u>
Charges for services:			
Land division	3,500	2,000	(1,500)
Zoning application fees	1,500	3,200	1,700
Cemetery operations	4,900	7,895	2,995
Timber sales	<u>20,000</u>	<u>25,123</u>	<u>5,123</u>
Total charges for services	<u>29,900</u>	<u>38,218</u>	<u>8,318</u>
Interest and rentals	<u>7,350</u>	<u>7,061</u>	<u>(289)</u>
Other - miscellaneous	<u>2,000</u>	<u>5,827</u>	<u>3,827</u>
Total revenues	<u>471,930</u>	<u>492,125</u>	<u>20,195</u>

**Township of Alma****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - General Fund (Continued)**

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES:			
Legislative - Township board	\$ 5,897	\$ 6,784	\$ (887)
General government:			
Supervisor	20,109	18,195	1,914
Elections	12,780	1,050	11,730
Assessor	22,400	25,624	(3,224)
Clerk	29,190	26,850	2,340
Treasurer	30,775	28,941	1,834
Cemetery	13,649	10,869	2,780
Township hall and grounds	22,873	23,970	(1,097)
Board of review	2,538	1,169	1,369
Auditing services	5,500	4,587	913
Legal services	19,000	14,203	4,797
General administration	59,690	30,585	29,105
Total general government	238,504	186,043	52,461
Public safety - ambulance	8,000	8,000	-
Public works - highways, streets, and drains	4,600	2,774	1,826
Community and economic development - Planning and zoning	66,050	45,875	20,175
Recreation and cultural - parks and recreation	12,000	-	12,000
Capital outlay	9,000	20,144	(11,144)
Debt service - principal	-	12,248	(12,248)
Debt service - interest	-	7,250	(7,250)
Total expenditures	344,051	289,118	54,933

**Township of Almena****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - General Fund (Continued)***Year ended March 31, 2004*

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	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 127,879</u>	<u>\$ 203,007</u>	<u>\$ 75,128</u>
OTHER FINANCING USES:			
Operating transfer out - Fire Fund	(13,000)	-	13,000
Operating transfer out - Road Fund	(163,000)	(163,000)	-
Operating transfer out - Street Lighting Fund	(3,515)	(3,515)	-
Operating transfer out - Capital Project Fund	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Total other financing uses	<u>(579,515)</u>	<u>(566,515)</u>	<u>13,000</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES AND OTHER USES	(451,636)	(363,508)	88,128
FUND BALANCE - BEGINNING OF YEAR	<u>851,132</u>	<u>851,132</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 399,496</u>	<u>\$ 487,624</u>	<u>\$ 88,128</u>

**Township of Almena**  
**COMBINING BALANCE SHEET - special revenue funds**  
March 31, 2004

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	<u>Road</u>	<u>Fire</u>	<u>Historical Commission</u>
ASSETS			
Cash	\$ 105,156	\$ 192,776	\$ 4,746
Receivables:			
Taxes	9,148	9,148	-
Special assessments	-	-	-
Due from other funds	<u>122</u>	<u>122</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 114,426</u>	<u>\$ 202,046</u>	<u>\$ 4,746</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ -	\$ 22,178	\$ -
FUND BALANCE:			
Unreserved - undesignated	<u>114,426</u>	<u>179,868</u>	<u>4,746</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 114,426</u>	<u>\$ 202,046</u>	<u>\$ 4,746</u>

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<i>Weed Control</i>	<i>Street Lighting</i>	<i>Totals</i>
\$ 980	\$ 2,330	\$ 305,988
-	-	18,296
-	275	275
-	-	244
<u>\$ 980</u>	<u>\$ 2,605</u>	<u>\$ 324,803</u>
\$ -	\$ -	\$ 22,178
<u>980</u>	<u>2,605</u>	<u>302,625</u>
<u>\$ 980</u>	<u>\$ 2,605</u>	<u>\$ 324,803</u>



**Township of Almena****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - *special revenue funds****Year ended March 31, 2004*

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	<u>Road</u>	<u>Fire</u>	<u>Historical Commission</u>
REVENUES:			
Taxes	\$ 114,255	\$ 114,255	\$ -
State grants - ROW maintenance	849	-	-
Charges for services	350	-	-
Interest	70	70	-
Other:			
Contributions	-	-	209
Special assessments	-	-	-
Total revenues	<u>115,524</u>	<u>114,325</u>	<u>209</u>
EXPENDITURES:			
Public safety	-	88,023	-
Public works	322,340	-	-
Recreation and cultural	-	-	98
Total expenditures	<u>322,340</u>	<u>88,023</u>	<u>98</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(206,816)	26,302	111
OTHER FINANCING SOURCES:			
Operating transfer in - General Fund	<u>163,000</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(43,816)	26,302	111
FUND BALANCE - BEGINNING OF YEAR	<u>158,242</u>	<u>153,566</u>	<u>4,635</u>
FUND BALANCE - END OF YEAR	<u>\$ 114,426</u>	<u>\$ 179,868</u>	<u>\$ 4,746</u>

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<u>Weed Control</u>	<u>Street Lighting</u>	<u>Totals</u>
\$ -	\$ -	\$ 228,510
-	-	849
-	-	350
-	-	140
-	-	209
<u>10,193</u>	<u>5,256</u>	<u>15,449</u>
<u>10,193</u>	<u>5,256</u>	<u>245,507</u>
-	-	88,023
9,213	6,166	337,719
<u>-</u>	<u>-</u>	<u>98</u>
<u>9,213</u>	<u>6,166</u>	<u>425,840</u>
980	(910)	(180,333)
<u>-</u>	<u>3,515</u>	<u>166,515</u>
980	2,605	(13,818)
<u>-</u>	<u>-</u>	<u>316,443</u>
<u>\$ 980</u>	<u>\$ 2,605</u>	<u>\$ 302,625</u>

**Township of Almena****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -****all agency funds**

Year ended March 31, 2004

	<i>Balance April 1, 2003</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance March 31, 2004</i>
<b>TRUST AND AGENCY FUND</b>				
ASSETS				
Cash	<u>\$ 3,602</u>	<u>\$ 7,429</u>	<u>\$ 3,902</u>	<u>\$ 7,129</u>
LIABILITIES				
Due to other funds	\$ 100	\$ 664	\$ -	\$ 764
Due to other governmental units	-	5,765	-	5,765
Due to others	<u>3,502</u>	<u>1,000</u>	<u>3,902</u>	<u>600</u>
TOTAL LIABILITIES	<u>\$ 3,602</u>	<u>\$ 7,429</u>	<u>\$ 3,902</u>	<u>\$ 7,129</u>
<b>TAX COLLECTION FUND</b>				
ASSETS				
Cash	<u>\$ 1,457</u>	<u>\$ 3,614,091</u>	<u>\$ 3,614,539</u>	<u>\$ 1,009</u>
LIABILITIES				
Due to other funds	\$ 461	\$ 336,998	\$ 337,053	\$ 406
Due to other governmental units	<u>996</u>	<u>3,277,093</u>	<u>3,277,486</u>	<u>603</u>
TOTAL LIABILITIES	<u>\$ 1,457</u>	<u>\$ 3,614,091</u>	<u>\$ 3,614,539</u>	<u>\$ 1,009</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
ASSETS				
Cash	<u>\$ 5,059</u>	<u>\$ 3,621,520</u>	<u>\$ 3,618,441</u>	<u>\$ 8,138</u>
LIABILITIES				
Due to other funds	\$ 561	\$ 337,662	\$ 337,053	\$ 1,170
Due to other governmental units	996	3,282,858	3,277,486	6,368
Due to others	<u>3,502</u>	<u>1,000</u>	<u>3,902</u>	<u>600</u>
TOTAL LIABILITIES	<u>\$ 5,059</u>	<u>\$ 3,621,520</u>	<u>\$ 3,618,441</u>	<u>\$ 8,138</u>